



REPUBLIC OF RWANDA



# PRODUCER PRICE INDEX (PPI)

## FOURTH QUARTER 2014

FEBRUARY 2015

## 1. SUMMARY

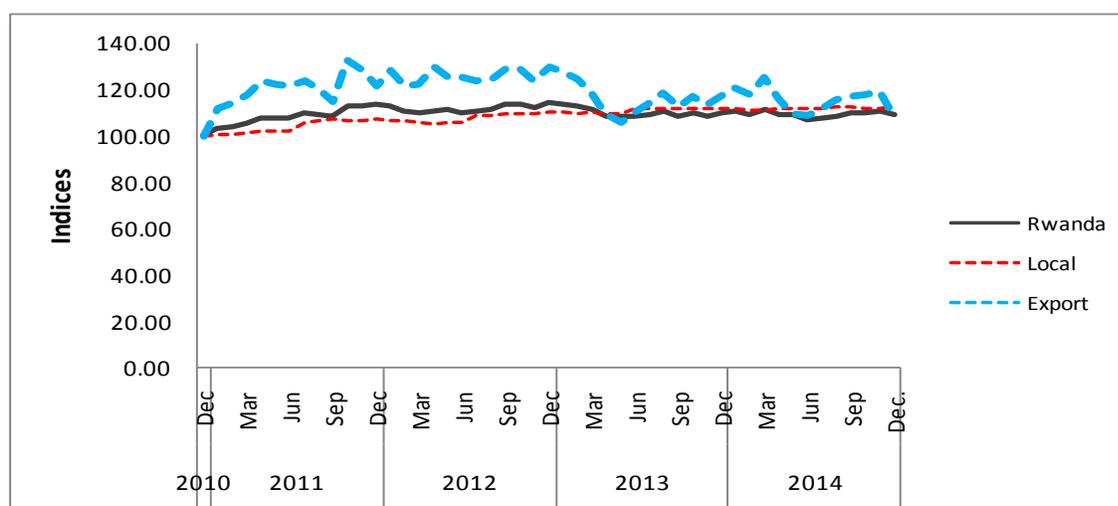
- The annual change in PPI for all Rwanda, fourth quarter 2014 compared to fourth quarter 2013 is 0.45 percent
- The annual change in PPI for local products, fourth quarter 2014 compared to fourth quarter 2013 is 0.39 percent
- The annual change in PPI for exports, fourth quarter 2014 compared to third quarter 2013 is -0.49 percent
- The quarterly change in PPI for all Rwanda, fourth quarter 2014 compared to third quarter 2014 is 0.96 percent
- The quarterly change in PPI for local products, fourth quarter 2014 compared to third quarter 2014 is 0.17 percent
- The quarterly change in PPI for exports, fourth quarter 2014 compared to third quarter 2014 is 0.36 percent

**Table1. PPI quarterly and annual changes for All Rwanda, local products and exports (in percentages)**

	<b>Quarterly change (Q4.14-Q3.14)</b>	<b>Annual change (Q4.14-Q4.13)</b>
PPI for All Rwanda	0.96	0.45
PPI for local products	0.17	0.39
PPI for export products	0.36	-0.49

Source: NISR

**Figure1. PPI for All Rwanda, local products and exports (2011-Q4 2014)**



Source: NISR

## 2. INTRODUCTION

The Producer Price Index (PPI) measures the average change over time in prices received by domestic producers for the production of their goods and services.

The Producer Price Index for Rwanda is published on a quarterly basis; but it highlights monthly Producer Price Index for each of the three months of the quarter under review, the quarterly Producer Price Index and the annual Producer Price Index. It presents price changes for all combined products, products for local sales and that for exports. It covers a sample of 114 establishments and 402 products spread countrywide, both in Kigali City and in rural areas.

The Producer Price Index survey is conducted jointly with the National Bank of Rwanda. It now covers mining, manufacturing and energy; but NISR intends to include hotels and communication services in the future.

## 3. PPI FOR ALL RWANDA

The table below presents the index and the percentage changes on monthly, quarterly and annual basis.

**Table2. Monthly, quarterly and annual changes for PPI for All Rwanda**

	2013			2014			2013	2014
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Q4	Q4
All Rwanda index	109.93	108.92	109.80	110.19	110.79	109.14	109.55	110.04
Monthly/quarterly change (%)	1.18	-0.92	0.81	0.08	0.54	-1.49	-0.10	0.96
Annual change (%)	-3.39	-3.39	-4.38	0.24	1.72	-0.61	-3.72	0.45

*Source: NISR*

As the table 2 shows, on a monthly basis, in October 2014, the index increased by 0.08 percent compared to September 2014. The index for November 2014 increased by 0.54 percent, while the index for December 2014 decreased by 1.49 percent.

On a quarterly basis, the index for the fourth quarter 2014 increased by 0.96 percent compared to the index for the third quarter 2014.

On an annual basis, the index for the fourth quarter 2014 increased by 0.45 percent compared to the index for the same quarter in 2013.

## Main contributors to change

On a monthly basis,

In October 2014 (0.08%):

- Coffee products and tea contributed positively by 0.25 percentage points
- Other non-ferrous metal ores contributed negatively by 0.13 percentage points

In November 2014 (0.54%):

- Coffee and tea products contributed positively by 0.62 percentage points
- Sugar contributed positively by 0.20 percentage points
- Other non-ferrous metal ores contributed negatively by 0.32 percentage points

In December 2014 (-1.49%):

- Coffee and tea products contributed negatively by 4.85 percentage points
- Sugar contributed positively by 3.33 percentage points

On a quarterly basis, the main contributors to the index change of the fourth quarter 2014 (0.96%) are:

- Coffee and tea products contributed positively by 0.78 percentage points
- Sugar contributed negatively by 0.47 percentage points
- Other non-ferrous metal ores contributed negatively by 0.44 percentage points

On an annual basis, the main contributors to the index change of the fourth quarter 2014 (0.45%) are:

- Books, periodicals and other publishing activities contributed positively by 0.40 percentage points
- Other non-ferrous metal ores contributed positively by 0.12 percentage points
- Grain mill products contributed negatively by 0.13 percentage points

## 4. PPI FOR GOODS PRODUCED FOR LOCAL SALES

The table below presents the index and the percentage changes on monthly, quarterly and annual basis.

**Table3. Monthly, quarterly and annual changes for PPI for local sales**

	2013			2014			2013	2014
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Q4	Q4
Local sales index	112.28	112.16	112.15	112.53	112.47	112.91	112.20	112.64
Monthly/quarterly change (%)	0.16	-0.11	0.00	-0.17	-0.06	0.39	-0.06	0.17
Annual change (%)	2.19	1.74	1.33	0.22	0.28	0.68	1.75	0.39

Source: NISR

As the table above shows, on a monthly basis, in October 2014, the index decreased by 0.17 percent compared to September 2014. The index of November 2014 decreased by 0.06 percent compared to October 2014, while the index of December 2014 increased by 0.39 percent compared to November 2014.

On a quarterly basis, the index for the fourth quarter 2014 increased by 0.17 percent compared to the index for the third quarter 2014.

On an annual basis, the index for the fourth quarter 2014 increased by 0.39 percent compared to the same quarter in 2013.

### **Main contributors to change**

On a monthly basis, the main contributors to the index change are:

In October 2014 (-0.17%):

- Grain mill products contributed negatively by 0.29 percentage points
- Metal products , except machinery and equipment contributed positively by 0.16 percentage points

In November 2014 (-0.06%):

- Paints, varnishes and similar coatings, printing ink and mastics contributed negatively by 0.11 percentage points
- Sugar contributed positively by 0.06 percentage points

In December 2014 (0.39%):

- Sugar contributed positively by 0.27 percentage points
- Malt liquors and malt Beverages contributed positively by 0.13 percentage points

On a quarterly basis, the main contributors to the index change (0.17%):

- Metal products, except machinery and equipment contributed positively by 0.43 percentage points
- Sugar contributed positively by 0.43 percentage points
- Rubber and plastics products contributed positively by 0.42 percentage points
- Grain mill products contributed negatively by 0.95 percentage points

On an annual basis, the main contributors to the index change (0.39%):

- Books, periodicals and other publishing activities positively contributed by 5.21 percentage points
- Bakery products contributed positively by 2.34 percentage points
- Grain mill products contributed negatively by 5.62 percentage points

## 5. PPI FOR EXPORTS

The table below presents the index and the percentage changes on monthly, quarterly and annual basis.

**Table4. Monthly, quarterly and annual changes for PPI for exports**

	2013			2014			2013	2014
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Q4	Q4
Exports index	117.15	113.64	117.34	118.01	119.55	108.85	116.04	115.47
Monthly/quarterly change (%)	3.87	-3.00	3.26	0.48	1.31	-8.95	0.72	0.36
Annual change (%)	-9.34	-8.73	-10.10	0.73	5.20	-7.23	-9.40	-0.49

Source: NISR

As the table above shows, on a monthly basis, in October 2014, the index increased by 0.48 percent compared to September 2014. The index for November 2014 increased by 1.31 percent, while the index for December 2014 decreased by 8.95 percent.

On a quarterly basis, the index for the fourth quarter 2014 increased by 0.36 percent compared to the index for the third quarter 2014.

On an annual basis, the index for the fourth quarter 2014 decreased by 0.49 percent compared to the index for the same quarter in 2013.

### Main contributors to change

On a monthly basis,

In October 2014(0.48%):

- Coffee products contributed positively by 6.76 percentage points
- Non-ferrous metal ores contributed negatively by 3.88 percentage points
- Tea products contributed negatively by 2.47 percentage points

In November 2014 (1.31%):

- Coffee products contributed positively by 16.59 percentage points
- Non-ferrous metal ores contributed negatively by 11.59 percentage points
- Tea products contributed negatively by 3.66 percentage points

In December 2014 (-8.95%):

- Tea products contributed negatively by 6.32 percentage points
- Coffee products contributed negatively by 2.54 percentage points

On a quarterly basis, the main contributors to the index change of the fourth quarter 2014 (0.36%) are:

- Non-ferrous metal ores contributed positively by 1.58 percentage points
- Tea products contributed positively by 1.48 percentage points
- Coffee products contributed negatively by 2.74 percentage points

On an annual basis, the main contributors to the index change of fourth quarter 2014 (-0.49%) are:

- Tea products contributed negatively by 0.88 percentage points
- Coffee products contributed positively by 0.36 percentage points

## **6. TECHNICAL NOTE ON PPI**

The Producer Price Index (PPI) measures the average change over time in the prices received by domestic producers of goods and services—goods and services which are output of production or enter in the production process.

NISR publishes PPI data for Mining, Manufacturing and Energy, and it will continue to be published quarterly in a monthly basis, about 8 weeks following the quarter under review.

Over time the PPI will gradually be expanded to include other production sectors such as transportation, telecommunications, agriculture, and services. Expansion of PPI coverage depends upon the availability of data that could be used to derive weights.

The establishments are classified according to ISIC rev. 4; and the classification is determined by their main output.

The weights used in the PPI for Rwanda refer to the value of output (turnover without taxes) of establishments as reported in the 2011 Manpower survey collecting data for the year 2010, which constitutes the reference base period for the PPI calculation (December 2010).

The point of pricing is the establishment. The price is the selling price received by the producer for the selected product as it leaves the factory gate. In general, prices are collected each quarter from the selected establishment by considering the mid-point of each month of the quarter under review.

The formula used in the PPI calculation is the geometric modified Laspeyres.

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